

# SMALL BUSINESS INCUBATOR TAX CREDIT PROGRAM

MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT

## PURPOSE

To generate private funds to be used to establish a “protective business environment” (incubator) in which a number of small businesses can collectively operate, fostering growth and development during a business’ start-up period.

## AUTHORIZATION

Section 620.495, RSMo

## HOW THE PROGRAM WORKS

The Department of Economic Development (DED) will issue state tax credits to a taxpayer who makes a contribution to an approved incubator sponsor in Missouri in an amount equal to 50% of such contribution.

## ELIGIBLE AREAS

Statewide.

## APPLICATION PROCEDURE - SPONSOR

An incubator sponsor must apply to DED for designation as an approved incubator. DED reviews and approves applications based on the following criteria:

- ✓ Ability of the sponsor to carry out the provisions of §620.495, RSMo;
- ✓ Economic impact of the incubator on the community;
- ✓ Conformance with area-wide and local economic development plans, if they exist; and
- ✓ Location of the incubator (encouraging geographic distribution of incubators throughout the state).

## APPLICATION PROCEDURE - CONTRIBUTOR

Any taxpayer, including non-for-profit corporations, except those that benefit directly from General Revenue such as public universities, may be a contributor. Applications can be submitted to DED year-round, but decisions will be made on a first-come basis based on the annual amount of tax credits allocated to an approved incubator.

## ELIGIBLE USE OF TAX CREDITS

This tax credit can be applied to:

- ✓ Ch. 143 – Income tax, excluding withholding tax
- ✓ Ch. 147 – Corporate franchise tax
- ✓ Ch. 148 –
  - ✓ Bank Tax
  - ✓ Insurance Premium Tax
  - ✓ Other Financial Institution Tax

This credit’s special attributes:

- ✓ Carryforward 5 years
- ✓ Sellable or transferable (75¢ minimum)

## FUNDING LIMITS

The overall maximum amount of tax credits that can be authorized under this program in any one calendar year is \$500,000.

## CONTACT

**MISSOURI**

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## ADDITIONAL RESOURCES

Go to the department’s home page at [www.missouridevelopment.org](http://www.missouridevelopment.org) for more information regarding Missouri’s many other economic development programs and policies.